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SUBJECT: ZIM NOTES 08-28-2009

¶1. SUMMARY

Topics of the week:

- Zuma Visits Zimbabwe, Discusses GPA...
- Elections When?...
- Mutambara Speaks Out...and is Slammed...
- KP Chair's Visit Stir Controversy...
- Mugabe Seeks Health Care in Dubai...
- Deputy Youth Minister's Trial Begins...
- Richard Hove Dies...
- Doctors Strike Ends...
- Cholera Reports Not True...
- ...But H1N1 Reports Are...
- Villagers Beat Up Policeman...
- Leaving on a Jet Plane - Twice...
- Afreximbank Gives Loans to Farmers...
- Too Little Too Late for Commercial Farmers...
- Zimbabwe "Riskiest" Investment Destination...

On the Political/Social Front

¶2. Zuma Visits Zimbabwe, Discusses GPA... South African president Jacob Zuma arrived in Harare on Thursday, his first visit to Zimbabwe since he took office. He met privately with Zimbabwean president Robert Mugabe, attended a State dinner hosted by Mugabe, and then met late into the night, separately, with Prime Minister Morgan Tsvangirai and Deputy Prime Minister Arthur Mutambara. He will meet today jointly with the three principals, as well as Vice President Joice Mujuru and Deputy Prime Minister Thokozani Khupe. According to MDC sources, Zuma is raising the outstanding issues of the continuing presence of Reserve Bank governor Gideon Gono, Attorney General Johannes Tomana, Mugabe's refusal to appoint MDC governors and Roy Bennett as deputy minister of agriculture, and selective prosecutions. Zuma has told the MDC that if he is unable to move Mugabe on these issues, he will support placing them on the

agenda of the SADC Summit in Kinshasa in early September. ANC secretary-general Gwede Mantashe has been quoted in the independent press in Harare as saying Zuma will be more vocal than former South African president Thabo Mbeki in attempting to curb Mugabe's "deviant behavior," but we have not yet seen any evidence to that effect.

¶3. Elections When?... The Global Political Agreement (GPA) signed last September provides for an 18 month process to draft a new constitution, followed by a national referendum on the constitution. The GPA says nothing about elections. At the time of formation of the inclusive government in February, a widespread assumption was that the government would be transitional; instead of the next elections taking place in 2013, as they would under the current constitution, many believed that a new constitution would pave the way for new elections and an end to the transitional government in 2010 or 2011. For the past several months, it has seemed that ZANU-PF was dragging its feet on the constitutional process to avoid the prospect of elections--as things stand now, there is no question they would lose reasonably fair elections. But it increasingly appears that the MDC also would be content to allow an election date to slide. Noting this, the semi-independent The Financial Gazette (Reserve Bank governor Gideon Gono has an interest but the paper is Q(Reserve Bank governor Gideon Gono has an interest but the paper is often critical of the government and ZANU-PF) in an editorial in Thursday's edition noted lack of progress in fulfilling the GPA and called for limiting the lifespan of the government to two years with elections to immediately follow.

¶4. Mutambara Speaks Out...and is Slammed... At a government ministerial retreat last weekend, Deputy Prime Minister Arthur

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Mutambara stated that last year's elections (won by President Robert Mugabe after Prime Minister Morgan Tsvangirai withdrew because of ZANU-PF-led violence against the MDC) were fraudulent. Most ZANU-PF ministers present walked out. Since, the State media has been on a campaign against Mutambara. An op-ed in Wednesday's The Herald entitled "Mutambara must grow up" took him to task and quoted ZANU-PF Minister of Justice Patrick Chinimasa as saying his party would not participate in any meeting at which Mutambara had a role. The same op-ed also praised Tsvangirai's growing composure as a leader. Mutambara has been somewhat of a loose cannon. He has criticized the west and called for a lifting of sanctions. He has also urged ZANU-PF to comply with the Global Political Agreement. At the Global 2009 Dialogue in Kampala in July, he incurred the ire of ZANU-PF by suggesting that Zimbabwe's "brand" needed acceptance by the west and by CNN, BBC, and Skynews.

¶5. KP Chair's Visit Stir Controversy... Bernard Esau, the Namibian serving as the Kimberley Process Certification Scheme Chair, was in Zimbabwe last week claiming to represent a KP team on a routine mission. International diamond industry members closely followed his comments, with some in India rejoicing in Esau's statements that Zimbabwe "won't be suspended," while industry watchdogs have decried Esau's behavior. This week The Herald ran a long editorial pointing out that the KP is "not legally binding." The editorial continued, "the attempt to try and portray its army as a rogue force that is brutalizing its citizens to get diamonds mined for free can only be believed by the gullible who are the willing victims of Western propaganda" The KP team that visited Zimbabwe in late June has not yet issued its final report, making Esau's visit and public comments highly unusual. See The Herald's tirade in full:
<http://allafrica.com/stories/200908241430.html>

¶6. Mugabe Seeks Health Care in Dubai... This week President Mugabe made a quick trip to Dubai. While his office reports he was on holiday, many believe he was receiving medical care. In the past he has often traveled to Malaysia for treatment of his suspected prostate cancer. During his brief absence, rumors raged that he was extremely ill, but he has assumed a full schedule since his return.

¶7. Deputy Youth Minister's Trial Begins... The trial of Thamsanqa

Mahlangu (MDC-T), who stands accused of stealing the \$40 cellphone of war veteran Joseph Chinotimba, began this week. Unlike other recent prosecutions of MDC-T MPs, we're told there may be substance to the charge.

¶8. Richard Hove Dies... ZANU-PF Senator and Politburo member Richard Hove died of natural causes this week at age 77. Hove was also chairman of the board of ZB Bank, which was added to the Treasury Department's sanctions list last year.

¶9. Doctors Strike Ends... A three-week long strike by junior physicians demanding higher pay at five central hospitals has ended. Physicians demanding higher pay at five central hospitals has ended. Senior physicians at affected hospitals disapproved of the actions by the junior physicians. The impact of the strike on the health sector was minimal; central hospitals continued to function and receive patients.

¶10. Cholera Reports Not True... This week the local and international press initially reported that a cholera outbreak had occurred in a village near the southeastern town of Chipinge. The local office of the World Health Organization responded quickly and determined that the symptoms were not consistent with cholera and stool samples came back negative. Health officials suspect the illnesses were caused by food poisoning.

¶11. ...But H1N1 Reports Are... Zimbabwe's first five locally-contracted cases of H1N1 have been confirmed. The cases were

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identified in a school in the eastern city of Mutare. All patients were treated and recovered, and their contacts were followed for a week after exposure

¶12. Villagers Beat Up Policeman... A group of villagers assaulted two policemen with logs in a village near the southern town of Chiredzi this week. One officer lost six teeth in the beating. The two officers had intervened when they thought the villagers were buying meat from a stolen animal. Five of the villagers were arrested and are expected to face attempted murder charges.

On the Economic and Business Front

¶13. Leaving on a Jet Plane - Twice... Despite the looming collapse of Air Zimbabwe, President Mugabe continues to commandeer planes for personal use. On August 18, he grabbed Air Zim's Boeing 737 for a SADC meeting in Namibia. The next day he seized a Boeing 767 for a private visit to Dubai. On both occasions the airline had to cancel scheduled flights, losing income necessary to meet its financial obligations that include foreign debt of USD 78 million. That includes USD 50 million owed to China for the purchase of two small aircraft.

¶14. Afreximbank Gives Loans to Farmers... In testimony to the parliamentary budget committee, Finance Minister Biti said the African Export Import Bank had made a commitment to provide USD 30 million to local banks for on-lending to farmers during the 2009-10 agricultural season. This is a change from the past when farmers were given free inputs financed by the printing presses of the Reserve Bank of Zimbabwe.

¶15. Too Little Too Late for Commercial Farmers... The main architect of Zimbabwe's indigenization law, Paul Magwana of ZANU-PF, spoke at an investment conference this week and was asked to compare indigenization with land reform. Magwana commented that land reform was a "revolutionary" program and "erroneous." It had backfired and caused Zimbabwe to lose its agricultural capacity and its status as a "breadbasket." Magwana is one of the three chairs of the Parliamentary Select Committee on the Constitution. Land reform is considered sacrosanct by ZANU-PF, and it is noteworthy that Magwana made these comments publicly. While his belated insight is welcome, it will do nothing to restore farm output from commercial farmers who still face harassment and threats from land invaders.

¶16. Zimbabwe "Riskiest" Investment Destination... Citing "economic, political, commercial, external, and political insecurity," a recent Dunn and Bradstreet survey ranked Zimbabwe as the "riskiest" (along with Afghanistan) country for investment.

Quotes of the Week

¶17. "Nobody, and I must stress this emphatically, nobody wants to be removed from power. Power is so sweet that no one wants to leave it.... So if you continue to remind me that I am writing my own removal from power, the chances of me voting for a new Constitution will be diminished. This is across party lines." - ZANU-PF MP and Constitutional Committee Co-Chair Paul Mangwana, in The Zimbabwe Times, August 23, 2009.

¶18. "Cde Mugabe is the head of the government of the Republic of Zimbabwe. He is the President of this country. He is the man who chairs our cabinet. He is the one who tells all of us, including the Prime Minister, what should be done." Minister of State for Presidential Affairs Didymus Mutasa (ZANU-PF) speaking to ZBC-TV on Wednesday August 26, 2009.

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DHANANI